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DE RUEHEG #1096 1670706
ZNR UUUUU ZZH
P 160706Z JUN 09
FM AMEMBASSY CAIRO
TO RUEHC/SECSTATE WASHDC PRIORITY 2857
INFO RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0144

UNCLAS CAIRO 001096

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DEPARTMENT FOR T, IO/T, AND ISN/NESS

E.O. 12958: N/A

TAGS: [ENRG](#) [KNNP](#) [TRGY](#) [IAEA](#) [EG](#)

SUBJECT: EGYPT: DEMARCHE DELIVERED - DISCUSSIONS OF FUEL
BANK AT UPCOMING IAEA BOARD OF GOVERNORS MEETING

REF: STATE 57598

(SBU) On June 10, Poloff urged MFA Disarmament Affairs official Heba Negm to support a positive discussion of "Assurance of Supply" at the upcoming IAEA Board of Governors meeting (reftel). Negm replied that Egypt is interested in discussions of fuel supply assurances and hopes that the Secretariat and other Board Members will clarify each proposal's technical, legal, and financial issues involved. Negm mentioned that the GOE is analyzing the proposals from Russia, Germany, the IAEA, and the Nuclear Threat Initiative (NTI). Negm said that while Egypt at this time does not prefer one of proposal over the other, the proposals from Russia and the NTI were the two of the better proposals, and specifically noted that the Russian proposal seemed to be the most "realistic." Negm also recalled Egypt's firm belief that any such "fuel bank" proposal must not deny the Member States their rights to enrichment and reprocessing. Negm also believed that the G-77 countries are now starting to realize that a fuel bank could be in their interests, and therefore the G-77 may be more helpful in reaching consensus on this issue, assuming that their concerns are addressed.
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